

Part III – Options to Minimize Layoffs

WORKFORCE PLANNING

Workforce planning is a key element in assuring that workforce restructuring is accomplished with the objective of minimizing layoffs and maximizing the accomplishment of the Hanford Site Mission. Planning includes identification of work and employees who do the work, by Common Occupational Classification System (COCS) codes and job families, as modified from time to time.

Part IV – Programs for Separated Workers

MEDICAL BENEFITS

Involuntarily separated employees have three options for continuing medical coverage. They must elect one of the following options:

Option 1: Displaced Worker Medical Benefits

Provides health care coverage in which the employee is enrolled as an active employee.

Year 1: Employee pays the active employee premium rate during the first year following termination of employment. Rates are subject to change beginning January 1 of each calendar year. Employee premiums are to be submitted by personal check. The effective date for extended benefits coverage will be the first day following termination of active employee coverage which requires a full monthly premium payment (rather than pro-rata for any mid-month effective dates).

Year 2: Employee pays one-half of the COBRA rate the second year (13th month through 24th month following termination of employment).

Year 3 and Subsequent Years: Employee pays the full COBRA rate during the third and subsequent years (starting the 25th month following termination of employment). COBRA rates are reviewed and revised each calendar year.

If the separated employee's premiums are not received by their due dates, coverage will terminate effective to the last premium payment period and cannot later be reinstated.

If employees and their dependents are eligible, or become eligible, for coverage elsewhere (including through Medicare), coordination of benefits does not apply.

Employees and their dependents are no longer eligible for Displaced Worker Medical Benefits when they become eligible for medical benefits from another plan. However, the Displaced Worker Medical Benefits can continue during a required waiting period, if applicable, for new coverage to begin, since they are not yet eligible for benefits from another plan. For example, if the employee takes a new job that offers medical benefits that become effective 30 days after the employee's new job begins, the employee may continue extended coverage during the 30-day waiting period.

If the employee is eligible for coverage from another employer, but that employer's coverage contains a pre-existing condition limitation/exclusion, the Displaced Worker Medical Benefits will apply coverage to the pre-existing condition limitation/exclusion only, since the employee would not be eligible for benefits for the pre-existing condition from another plan. Claims should be filed with the other employer's insurance plan first. Then an Explanation of Benefits from the other employer's plan, showing the benefits coverage limitation/exclusion for the pre-existing condition, should be filed with the Plan Administrator.

Eligible participants include only those dependents that were covered under the medical plan immediately prior to termination of active employee coverage. Dependents may be covered without the employee being covered, if the dependent is not eligible for coverage under another plan. For example, if a terminating employee is age 65 or older, and eligible for Medicare, and therefore not eligible for Displaced Worker Medical Benefits, and the employee has a spouse who is 62, who is not eligible for coverage under another employer or through Medicare, then the spouse alone is eligible for coverage under the Displaced Worker Medical Benefits and the single person rate would be applied.

An employee may add or delete dependents to their Displaced Worker Medical Benefits coverage with a "qualifying event" provided the employee notifies the plan administrator of the qualifying event/request for change no more than 60 days after the qualifying event occurs. The employee may not add or increase coverages, or change health care plans. The employee may change coverages during subsequent annual open enrollment periods if desired.

Dependents who experience loss of eligibility for Displaced Worker Medical Benefits coverage due to a "subsequent qualifying event" (e.g. divorce, death of spouse, children no longer meeting the eligibility provisions of the Plan) are eligible to continue Displaced Worker Medical Benefits coverage for a maximum of 36 months from the loss of active employee coverage/termination of employment provided all of the following are met: (1) they were covered by the medical benefits plan immediately prior to termination of active employee coverage, (2) they were continuously covered under Displaced Worker Medical Benefits, (3) the subsequent event occurred no more than 18 months from the loss of active employee coverage/termination of employment, and (4) they

provide the plan administrator notification of the qualifying event/request for change no more than 60 days after the occurrence of the subsequent qualifying event.

Option 2: Normal COBRA Benefits

COBRA continuation coverage must be elected no more than 60 days after termination of employment. Enrollment will be in the same medical coverage choice in which the employee was enrolled just prior to separation. The effective date of COBRA continuation coverage will be the date following the last pay period after separation, which is the date that insurance coverage as an active employee terminates.

Separated employees pay the full COBRA rate by personal check. A full monthly premium payment will be required rather than a pro-rata amount for mid-month effective dates. Up to 18 months coverage is available as long as premium payments continue to be made.

If coverage is not elected within 60 days after termination of employment and/or applicable premiums are not received by their due dates, coverage will terminate effective at the end of the last premium payment period and cannot later be reinstated.

When continuing medical coverage through COBRA, the employee may add or delete dependents only upon the occurrence of a “qualifying event.” The employee may change coverage options during open enrollment to become effective at the beginning of the next calendar year.

COBRA rates are reviewed and revised each calendar year.

Option 3: No Coverage

Coverage terminates for claims incurred after termination, as of the last day of the pay period, without continued participation by payment of employee premiums under Displaced Worker Medical Benefits or by electing normal COBRA benefits.

Loss of Employment as a “Qualifying Event”

Loss of employment or a spouse’s employment may be considered a “qualifying event” for adding or deleting dependents from coverage under health care plans. The spouse who is actively employed at Hanford can cover an employee who involuntarily separates from employment, if the spouse also works at the Hanford

Site and is eligible for health care coverage. The active employee will need to contact Benefits Administration to obtain the necessary forms to add dependent (children and/or spouse) and to obtain instructions regarding information that must be submitted. Coverage must be elected to become effective on the day immediately following the pay period in which the employee separates. Forms to add or delete dependents from coverage must be submitted by the active employee to, and received by, Benefits Administration no more than 60 days after termination of the spouse's employment. With a "qualifying event" the active employee can add or delete dependents to the health care coverage option in which the active employee is currently enrolled, but may not add or increase coverages. The employee may change coverages during subsequent annual open enrollment periods if desired.

Involuntary Reduction of Force (IROF)

If a contractor rehires an involuntarily-separated employee before the completion of the full period for which severance was paid, the severance must be repaid on a pro rata basis to restore service credit recognition. For example, if an individual received 15 weeks of severance and is rehired after 10 weeks, 5 weeks of separation pay must be repaid. If the employee does not choose to repay the severance to restore service credit, the employee will be treated as a new hire without restoration of prior service credit.

Part V – Special Programs

OUTPLACEMENT ASSISTANCE

Outplacement services will be available on an ongoing basis through WorkSource Columbia Basin, which is maintained by the Washington State Employment Security Department. Outplacement services may be supplemented, either by DOE and its principal contractors or, with Contracting Officer approval, by contracting with outside providers, during periods of significant workforce restructuring. Special outplacement services will be determined and designed for each reduction of force circumstance. When implemented, enhanced outplacement services will be provided to regular employees who are identified for layoff or are separated from employment through VROF or an IROF. Outplacement assistance will also be provided for subcontractors and intermittent workers who are separated from employment through an IROF.